

# HUMAN SERVICES DEPARTMENT[441]

## Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 217.6 and 2013 Iowa Acts, Senate File 446, section 29, the Department of Human Services proposes to amend Chapter 92, “IowaCare,” Iowa Administrative Code.

These proposed amendments reflect the change in the payment methodology for federally qualified health centers (FQHCs) from fee for service to an encounter payment and eliminate the FQHC funding pool for laboratory and radiology services in accordance with the Department’s appropriation bill (2013 Iowa Acts, Senate File 446). These services will now be included in the encounter payment. These changes will address a shortfall in the funding pool for laboratory and radiology services by making funding more flexible.

Any interested person may make written comments on the proposed amendments on or before August 13, 2013. Comments should be directed to Harry Rossander, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, Fifth Floor, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515)281-4980 or by e-mail to [policyanalysis@dhs.state.ia.us](mailto:policyanalysis@dhs.state.ia.us).

These amendments do not provide for waiver in specified situations because the same payment methodology should apply to all FQHCs and because the amendments provide a benefit by not limiting coverage of laboratory and radiology services to the former funding pool. Requests for waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 217.6 and chapter 249J.

The following amendments are proposed.

ITEM 1. Amend subrule 92.8(1), introductory paragraph, as follows:

**92.8(1) Provider network.** Except as provided in subrules 92.8(3) through ~~92.8(5)~~ 92.8(7), IowaCare members shall have medical assistance only for services provided to the member by:

ITEM 2. Amend subrule 92.8(7) as follows:

**92.8(7) Services from nonparticipating providers.**

a. to c. No change.

d. ~~Laboratory test tests and radiology pool services. A funding pool is established to provide payment~~ Payment will be made to federally qualified health centers, as part of the per-IowaCare-patient-encounter payment made pursuant to 92.9(3)“b,” for medically necessary laboratory tests and radiology services provided to enrolled IowaCare members when authorized by a the federally qualified health center that has been designated by the department as part of the IowaCare regional provider network. Payment from the pool shall be subject to the following conditions and limitations:

~~(1) Payment may be made only for laboratory tests or radiology services which the participating federally qualified health center does not otherwise have the means to provide on site.~~

~~(2) Each participating federally qualified health center shall designate no more than four laboratory testing facilities and no more than four radiology facilities to which the center will refer IowaCare patients for these services. The designated providers must participate in the Iowa medical assistance program. Payment shall be made only to the designated providers.~~

~~(3) The designated provider must obtain a referral from the participating federally qualified health center for the services and must include information regarding the referral on the claim form.~~

~~(4) All other medical assistance policies for coverage of laboratory and radiology services shall apply, including requirements for prior authorization.~~

~~(5) Payment is limited to the amount of available funds designated for the laboratory test and radiology pool. If the amount appropriated for the pool is exhausted, laboratory tests and radiology services ordered by a participating federally qualified health center shall be provided or coordinated by the center.~~

ITEM 3. Amend subrule 92.9(3) as follows:

**92.9(3)** *Payment for nonhospital services provided by IowaCare network.* Effective ~~July 1, 2010~~ January 1, 2013, IowaCare network providers shall be paid for nonhospital services at the Medicaid fee schedule amounts ~~in effect on November 30, 2009~~, which are posted on the department's Web site at [http://www.ime.state.ia.us/Reports\\_Publications/FeeSchedules.html](http://www.ime.state.ia.us/Reports_Publications/FeeSchedules.html), with the following exceptions:

*a.* No change.

*b.* ~~Physician services~~ Services provided to IowaCare members ~~in~~ by a federally qualified health center, including any medically necessary laboratory tests and radiology services authorized by the federally qualified health center, shall be reimbursed ~~based on the Medicaid physician fee schedule in effect on the date of service, limited to the amount appropriated for the fiscal year.~~ on the basis of a per-IowaCare-patient-encounter payment calculated for each participating federally qualified health center as follows:

(1) The initial encounter rates will be based on the total fees paid to the federally qualified health center under the IowaCare program for dates of service from July 1, 2012, through December 31, 2012 (the "initial rate period"), plus the total fees paid to third parties for laboratory and diagnostic services referred out from the particular federally qualified health center during the initial rate period. The rates shall exclude any fees charged by or through the University of Iowa Hospitals and Clinics or Broadlawns Medical Center or through any other federally qualified health center.

(2) The initial encounter rates will be reevaluated on or after April 15, 2013. If the reevaluation results in changes in the initial encounter rate, the department will mass-adjust all of the federally qualified health center's claims submitted for dates of service from January 1, 2013, through March 31, 2013.

(3) After the first quarter of calendar year 2013, the department shall establish a new encounter rate for the federally qualified health center following the end of the prior quarter, based on claims submitted for the prior quarter.

(4) The department shall reevaluate each new encounter rate 45 days after the start of each quarter to consider adjustments based on laboratory and diagnostic claims received with dates of service from the prior quarter submitted within the prior 45 days. If the reevaluation results in changes in the current encounter rate, the department will change the current encounter rate retroactively for the quarter and mass-adjust any claims submitted for the current quarter.

(5) Upon expiration or termination of the IowaCare medical home agreement, the department will reevaluate the encounter rate paid to the federally qualified health center in the final whole or partial quarter by taking into consideration any laboratory and diagnostic claims submitted within 45 days of the expiration or termination of the agreement with dates of service from that final quarter. If the reevaluation results in changes in that final quarter's encounter rate, the department will change the encounter rate for the final quarter and mass-adjust any prior claims submitted for that final quarter.

*c.* No change.